

191—97.7 (508) Other requirements.

97.7(1) Indexed annuity products. The alternative accounting practices prescribed by this chapter must be applied to both the indexed annuity product reserves and eligible derivative assets used to hedge indexed annuity products.

97.7(2) Indexed life products. The alternative accounting practices prescribed by this chapter must be applied only to eligible derivative assets used to hedge indexed life products. This chapter shall not impact the calculation of indexed life product reserves.

97.7(3) If an insurance company elects to use the alternative accounting practices prescribed by this chapter, it shall report quarterly to the company regulation bureau of the Iowa insurance division, for analysis purposes, the market value of its eligible derivative assets and what the Actuarial Guideline XXXV reserves would be using market value of such eligible derivative assets.

97.7(4) Application of this chapter is not mandatory. An insurance company that elects to use the alternative accounting practices prescribed by this chapter may not elect to change its accounting practices back to those that would apply in the absence of this chapter without the prior approval of the Iowa insurance commissioner.

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